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PUBLIC SERVICE
COMMISSION

South 641 Water District

207 Main Street, PO Box 126, Hazel, KY 42049

(270) 492-8857

October 19, 2007

Executive Director
Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Application for Water Rate Adjustment Notice (case #2007-00441)

South 641 Water District submitted the applications and has received the Public Service Commission's letter of receipt acknowledgement that stated a date-stamped receipt of October 9, 2007. With that being said, we notified our water customers via direct mail and posted the proposed rate changes in the South 641 Water District office.

On October 18, 2007 South 641 Water District mailed 402 copies of the enclosed water notice to our water customers.

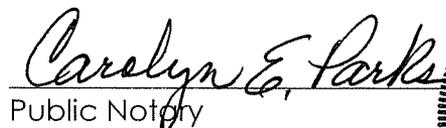
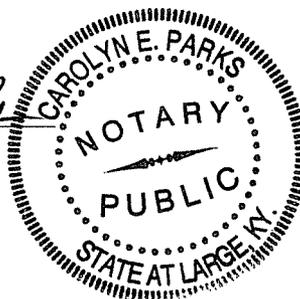
If you have any questions, please call Rebecca James (270) 492-8857.

Sincerely,

Rebecca James
General Manager
so641@wk.net



Max Parks
Chairman Commissioner


Public Notary

NOTICE

South 641 Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is _____, 2007.

Monthly Rate:

| <u>Current</u> | | <u>Proposed</u> | <u>Rate</u> |
|---------------------|---------|---------------------|-------------|
| First 2,000 gallons | \$12.78 | First 2,000 gallons | \$17.78 |
| Next 3,000 gallons | 5.54 | Next 3,000 gallons | 6.66 |
| Next 5,000 gallons | 4.84 | Next 5,000 gallons | 5.75 |
| Over 10,000 gallons | 4.24 | Over 10,000 gallons | 4.86 |

| MONTHLY | MONTHLY | MONTHLY | PERCENT |
|--------------|-------------|-------------|----------------|
| | BILL AT | BILL AT | INCREASE |
| MONTHLY | CURRENT | PROPOSED | OVER |
| <u>USAGE</u> | <u>RATE</u> | <u>RATE</u> | <u>CURRENT</u> |
| 2,000 | 12.78 | 17.78 | 39.1% |
| 5,000 | 29.40 | 37.76 | 28.4% |
| 10,000 | 53.60 | 66.51 | 24.1% |
| 20,000 | 96.00 | 115.11 | 19.9% |
| 30,000 | 138.40 | 163.71 | 18.3% |
| 50,000 | 223.20 | 260.91 | 16.9% |
| 75,000 | 329.20 | 382.41 | 16.2% |
| 100,000 | 435.20 | 503.91 | 15.8% |
| 200,000 | 859.20 | 989.91 | 15.2% |
| 300,000 | 1283.20 | 1475.91 | 15.0% |

The rates contained in this notice are the rates proposed by the South 641 Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at Highway 641 South in Hazel, KY 42049. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

South 641 Water District